

25X1

CONFIDENTIAL

REPORT

25X1

COUNTRY Poland

DATE DISTR. 30 Dec. 1953

SUBJECT 1. Effects of Western Embargo
 2. Western Firms Dealing with Poland
 3. Trade Relations with Other Countries

NO. OF PAGES 6

DATE OF INFORMATION

REFERENCES:

PLACE ACQUIRED

25X1

THIS IS UNEVALUATED INFORMATION

25X1

Effects of Western Embargo

1. Although the largest volume of trade was with the USSR and the Satellite countries, the Polish Central Offices for Export and Import endeavored to trade with capitalistic countries in order to acquire foreign exchange needed for the purchase of goods and the maintenance of Polish diplomatic and commercial missions abroad. 25X1

the embargo has had an adverse effect and has caused delays in building up industry in Iron Curtain countries.

2. There was an acute shortage of nonferrous metals (wolfram, cobalt, vanadium, iridium, copper, and nickel) directly caused by Western restrictions. Poland tried by all means to buy these metals abroad, even in small quantities. After the embargo by the West on sales of strategic materials to the Eastern Bloc, Polish representatives in Western countries resorted to clandestine purchases of needed metals. Often shipments of 20 to 30 lb. were sent by diplomatic pouch to Poland. Critical materials were also obtained, though not in sufficient quantities, through the aid of foreign firms which dealt with Poland and which had been approved by the Ministry of Foreign Trade as politically reliable. These firms were tied in with the local Communist parties. Negotiations abroad were done through the Polish commercial attaches who were in contact with the firms and with pro-Communist persons.

CONFIDENTIAL

25 YEAR RE-REVIEW

CONFIDENTIAL

-2-

25X1

25X1

3. [redacted] there was a lack of refractory materials to an extent to have seriously affected Polish heavy industry and that the completion of the Nowa Huta foundry near Krakow and the cement factory at Wierzbica N 50-21, E 23-417 were both delayed because of a lack of such materials. The delay in completion of these two factories was perhaps as long as a year each. Other shortages were: iron ore, pyrites, precision instruments, rubber, wool, machine oils, dyes, asbestos, graphite, machine parts, raw hides (used for making leather goods for the Army), chemicals and pharmaceuticals, cotton, aluminum, potassium salts, kaolin, vaseline, gasoline, asphalt, jute, and cement. In the spring of 1952 there was a shortage of sugar and in April of that year rationing was introduced. In the pharmaceutical line the greatest shortages were of penicillin, streptomycin, vitamins (especially Vitamin B), and codeine. 25X1
4. [redacted] the specific materials which should be strictly controlled by the Western nations are in the first place refractory materials, non-ferrous metals, especially copper and nickel, precision instruments, machinery and machine parts, machine oils, magnesite, dyes [redacted] and finally raw hides [redacted] Control of refractory materials and iron [redacted] alone would most seriously affect the Polish heavy industries. 25X1

5. [redacted] minerals were urgently sought by the Polish Ministry of Foreign Trade. Those minerals were listed on a secret list which contained about 16 items. 25X1

25X1

6. With respect to Polish industry [redacted] the entire industry is organized on a basis which could be shifted to wartime production in a short period [redacted] 25X1

the USSR wants Poland to be dependent upon her.

CONFIDENTIAL

Page Denied

CONFIDENTIAL

-4-

25X1

25X1

Trade Relations with Other Countries

8. There was close cooperation between Poland and Czechoslovakia with respect to economic development. There was a Czechoslovak mission in Warsaw attached to the Czechoslovak Embassy. This office was called Biuro Radcy Handlowego (Trade Councilor's Office). Poland had its counterpart office in Prague at the Polish Embassy; about 50 persons were attached to the staff in Prague. These offices supervised the execution of the trade pact with respect to all articles exchanged between the two countries. Contracts for goods which Poland bought were concluded in Prague and those which Czechoslovakia bought were concluded in Warsaw. The over-all economic exchange was executed on a higher level through the PKPG in cooperation with the Politburo's respective departments.
9. An agreement was made for 1952 through Minex to export 20,000 tn. of gypsum to Czechoslovakia at 18 rubles per ton for the production of cement at the Czech cement and lime factory (Ceske Cementarny a Vapenice) at Kralov Dvur and Beroun railroad stations. The Czechs were eager to import anhydrites from Poland for the production of sulphuric acid. They had planned to import 50,000 to 60,000 tn. of gypsum stone in 1953, 120,000 tn. in 1954, and 200,000 tn. in 1955 and had asked that 40% of these shipments be made up of anhydrites.

25X1

the Czechs were building a large factory for the production of sulphuric acid and they needed anhydrites (dead gypsum). Poland was to import 10,000 tn. of kaolin from Czechoslovakia in 1952 at \$16 to \$18 a ton. In 1951 Poland had imported 15,000 tn. of kaolin in addition to burnt magnesite, "Bata" shoes, shirts, and machinery for the Polish "Odra" cement factory.

10. In 1951 porcelain electric insulators were exported from Poland through Minex to Rumania for about 80,000 rubles on a clearing basis against import of crude oil, oil products, and gasoline from Rumania.

25X1

11.

The price of the gypsum to be exported by Poland was \$3.50 per ton. Further agreement called for the export of 40 to 50 tn. of calcined magnesite at \$38 per ton FOB, and for the export of coal. In 1951 60 tn. of caustic magnesite was exported at \$38 per ton FOB Polish ports. This export was not provided for in the export plan

25X1

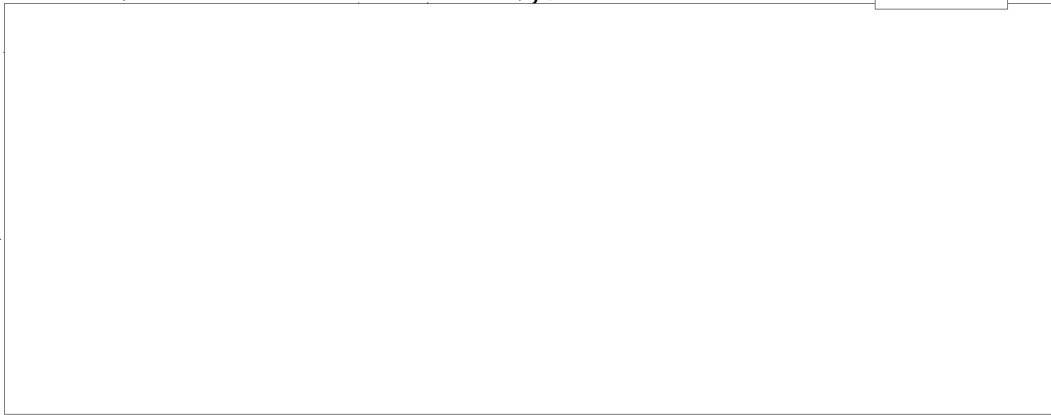
CONFIDENTIAL

CONFIDENTIAL

-5-

25X1

12.



25X1

13. Poland had trade relations with China and was striving to increase the volume of trade. Imports included tea, rice, cotton, jute and wolfram. Some Polish-made dyes of poor quality, chemicals, machinery, and iron pipes were exported. In 1951 most Polish ships were used for transport to China and an average of one Polish ship a month left Gdansk or Gdynia. (The ships were of 7,000 to 9,000 tn. capacity.) After 1951 there were difficulties in maintaining regular contact with China. [redacted] trade relations between Poland and China were improving.

25X1

14.



25X1

15. Oil was imported from the USSR [redacted] Poland also imported platinum from the USSR. [redacted] in 1946-1947, 45 kg. were imported.

[redacted] Red phosphorus was imported from the USSR in 1946-1947. A number of semi-finished metal products, iron bars, rails, and sheet were exported to the USSR.

16. In 1951 Poland exported [redacted] 15 tn. of Schlagg wool (welna zuzlowa) at \$50 per ton. In the same year 2,000 tn. of sandstone cylinders (two meters long and 80 cm. in diameter) for sharpening tools were exported [redacted] Glass is also exported [redacted] Chemicals and pharmaceuticals in bulk in addition to dyes, were imported [redacted]

25X1

25X1

17. Planned import from East Germany in 1952 included 120,000 metric tn. of potassium salts with a content of about 40% K₂O, 93% minimum of CaO, 1 1/2% maximum of Al₂O₃ + Fe₂O₃, and 3% of SiO₂. [redacted] In 1946 the price was \$32 - \$36 a ton.) In 1951 Poland exported 600 tn. of raw magnesite to East Germany at 100 rubles per ton for the production of magnesite compounds. She also exported brown coal, and electric power from the power station at Zgerzelec.

25X1

25X1

CONFIDENTIAL

CONFIDENTIAL

-6-

25X1

Polish Foreign Trade Development

19. Taking the index number of 100 for 1937, Polish foreign trade shows the following development: in 1945 foreign trade was nine per cent of trade in 1937; in 1946 it rose to 34%; in 1947 to 70%; in 1948 to 130%; in 1949 to 155%; in 1950 to 161%; and in 1951 it reached the figure of 209% of the 1937 figure.

CONFIDENTIAL